

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7214

BILL NUMBER: SB 322

NOTE PREPARED: Jan 22, 2004

BILL AMENDED:

SUBJECT: Underground Storage Tank Cleanup Funding.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: The bill allows the Underground Storage Tank Financial Assurance Board to recommend that the Indiana Development Finance Authority issue its bonds to provide an additional source of revenue to the Underground Petroleum Storage Tank Excess Liability Trust Fund.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Background:* The Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF) is used as a source of money for the following: for satisfying liabilities incurred by owners and operators of underground storage tanks (UST); for indemnification of third parties; and for reimbursing the Department of Environmental Management (Department) for administering claims against ELTF.

The Indiana Development Finance Authority may issue bonds to be used as a revenue source of ELTF. Other sources of money for ELTF come from the following: fees and penalties for owners and operators of USTs; appropriations from the General Assembly; gifts and donations; and inspection fees.

The ending balance of ELTF for FY 2003 was approximately \$52M; the ending balance for FY 2002 was \$68M. According to the Department, claims made to ELTF have increase from 400 in 1998 to more than 2,700 in 2002. The Department estimates that, on average, 200 new releases are reported each year.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management; Indiana Development Finance Authority.

Local Agencies Affected:

Information Sources: Department of Environmental Management.

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